

VZCZCXYZ0000  
PP RUEHWEB

DE RUEHIT #0183/01 0661048  
ZNR UUUUU ZZH  
P 071048Z MAR 07  
FM AMCONSUL ISTANBUL  
TO RUEHC/SECSTATE WASHDC PRIORITY 6708  
INFO RUEHAK/AMEMBASSY ANKARA PRIORITY 6227  
RUEHTH/AMEMBASSY ATHENS PRIORITY 0777  
RUEHKB/AMEMBASSY BAKU PRIORITY 0012  
RUEHBM/AMEMBASSY BUCHAREST PRIORITY 0144  
RUEHUP/AMEMBASSY BUDAPEST PRIORITY 0061  
RUEHCH/AMEMBASSY CHISINAU PRIORITY 0051  
RUEHKV/AMEMBASSY KYIV PRIORITY 0008  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0349  
RUEHNC/AMEMBASSY NICOSIA PRIORITY 0733  
RUEHFR/AMEMBASSY PARIS PRIORITY 0214  
RUEHVJ/AMEMBASSY SARAJEVO PRIORITY 0010  
RUEHSF/AMEMBASSY SOFIA PRIORITY 0252  
RUEHSI/AMEMBASSY TBILISI PRIORITY 0135  
RUEHTI/AMEMBASSY TIRANA PRIORITY 0074  
RUEHYE/AMEMBASSY YEREVAN PRIORITY 0082  
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS ISTANBUL 000183

SIPDIS

SENSITIVE  
SIPDIS

BUDAPEST FOR ENVIRONMENTAL HUB, PARIS FOR OECD

E.O. 12958: N/A  
TAGS: [PREL](#) [SENV](#) [EU](#)  
SUBJECT: BSEC SENIOR OFFICIALS DISCUSS RELATIONS WITH EU,  
UPCOMING GALA

REF: A. ATHENS 342

[1](#)B. ANKARA 367  
[1](#)C. 2006 ISTANBUL 2061

[1](#)1. (SBU) Summary: BSEC Senior Officials met February 26-27 in Istanbul to discuss establishing an institution-to-institution relationship with the European Union, review the status of ongoing projects including a labor/employment study to be performed the OECD, and discuss preparations for the 15th Anniversary of BSEC. Procedural problems no longer bog the committee down in hours of discussion before an agenda can be adopted, but a bitter division between Greece and Turkey over Cyprus' application for observer status kept the committee in closed session for hours longer than expected. End Summary.

[1](#)2. (SBU) The BSEC Senior Officials Committee met February 26-27 in Istanbul. Representatives from all 12 BSEC member states as well as several observers (Italy, Poland, and Belarus as well as the United States) attended the meeting. Secretary General Chrysanthopoulos appears to have dealt with

SIPDIS  
a penchant by some delegations to debate the substance of issues during the discussion of the agenda that had resulted in the adoption of the agenda taking several hours at past meetings. The discussion of Project Development Fund applications was also dealt with efficiently, with Chrysanthopoulos and the Serbian Chairman in Office working together to keep the discussion focused.

The Observer Impasse  
-----

[1](#)3. (SBU) The bulk of the discussions were held in camera (observers, including the United States and the BSEC associated bodies, did not participate) and covered the budget and financial issues, staffing and personnel, and

several applications for observer status. The primary point of contention during the in camera discussions was Cyprus' application for observer status, which the Turkish delegation blocked. In response the Greek delegation reportedly refused to agree to applications for observer status from all other applicants including Kazakhstan, the United Kingdom, Hungary and several other countries. This impasse is long-standing, and does not seem to affect requests for renewal of existing observer status. However, representatives from several delegations expressed concern to us that the struggle over Cyprus might impede BSEC's efforts to forge a closer relationship with the EU, a process that should result in the EU applying for observer status.

¶4. (SBU) All discussions related to observers were held in camera. The possibility of a USG-sponsored environmental seminar (ref C) had clearly been reviewed by the member states as representatives from the Ukrainian and Russian delegations sought us out to express support for the concept following the closed session. The head of the Greek delegation expressed support for the idea at the very beginning of the conference, noting that he had raised the issue with Embassy Athens (ref A) not long ago. The Turkish delegation head asked for more detail as soon as possible and stressed the need to have the proposal formally announced at the upcoming Working Group on Environmental Protection.

#### Relations with the EU and with the OECD

-----

¶5. (SBU) BSEC-EU interaction was a primary focus of the open sessions. The Committee of Senior Officials intends to meet with EU Troika representatives on March 23 in Istanbul. BSEC hopes to convince the EU to work with BSEC on an institution-to-institution basis, thus creating a mechanism that would enable the EU to work directly with the BSEC states as a group as well as bilaterally. The European Commission is currently updating a 1997 paper on Black Sea policy, and BSEC would like to take this opportunity to define itself as "the main partner of the EU in the wider Black Sea area."

¶6. (SBU) The OECD Development Center has agreed to prepare a report on macroeconomic trends with a focus on labor and employment creation policies in the BSEC member states. Greece, Turkey and Romania have contributed financially to this project. The OECD project leader is actively seeking additional financing from institutional sponsors as well as core financing from OECD member states. The project leader hopes to publish the outlook in December 2007 or January 2008.

#### Preparations for BSEC's 15th Anniversary

-----

¶7. (SBU) Turkey will take over the BSEC Chairmanship from Serbia in May and is already deep in preparations for the 15th anniversary of BSEC, to be celebrated in Istanbul on June 24. Asim Arar, MFA Deputy Director General for Multilateral Economic Affairs, noted that a major celebration was being arranged by the Government of Turkey (GOT) to coincide with the Istanbul Summit (ref B). BSEC member states have been invited to attend at the head of state/head of government level. The 13 BSEC observers will be invited at the foreign minister level. Certain international organizations, such as the OSCE, the OECD, the EU, UNDP and the World Bank will also be invited. Arar explained that invitations to the summit would be delivered in capitals soon, most likely during the first week of March.

¶8. (SBU) Comment: Chrysanthopoulos efforts to make BSEC more internally efficient as well as project-oriented appear to be bearing fruit as his first year in office draws to a close. Although the modalities of the BSEC-EU interaction still remain to be worked out, at least the two groups have agreed to meet and for its part BSEC seems to be eager to develop this relationship. The GOT also appears committed to revitalizing BSEC during its term in office. The BSEC secretariat as well as a number of key member states (Turkey,

SIPDIS

Greece, Russia, Ukraine) have encouraged the United States to cooperate with BSEC on an environmental conference (see proposal ref C.) End Comment.

JONES